

m/039/002

ZIONS BANK

International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071
S.W.I.F.T: ZFNBUS55

L/C No

Date: October 29, 2004

BENEFICIARY:

UTAH DIVISION OF OIL, GAS AND MINING ("DIVISION")

1594 WEST NORTH TEMPLE, SUITE 1210

P.O. BOX 145801

SALT LAKE CITY, UTAH 84114-4801

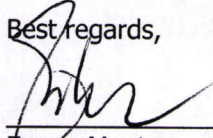
RE: Our Standby Letter of Credit No
Issue date: March 3, 1999
Current Amount: USD235,100.00
Applicant: REDMOND MINERALS, INC.
Expiry date: March 1, 2005

Dear Sir/Madam:

This is to inform you that we have elected not to renew the above-referenced Standby Letter of Credit for any additional periods. This credit will expire finally on March 1, 2005.

If you have any questions concerning this transaction, please call us at (800) 551-0110 Ext.2131, 2130 or (213) 593-2131, (213) 593-2130.

Best regards,


Emma Montoro
Assistant Vice President

CC: Richard Thomsen (UT 0041 0242)

RECEIVED
NOV 01 2004
DIV. OF OIL, GAS & MINING

(COPY) RELEASED
ORIGINAL RETURNED
TO OPERATOR
MARCH 16, 2005

ZIONS BANK

International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071
S.W.I.F.T: ZFNBUS55

Amendment of
Standby Letter of Credit

L/C No.

m/039/002

November 1, 2004

**IRREVOCABLE STANDBY LETTER OF CREDIT NO.
AMENDMENT**

BENEFICIARY:
UTAH DIVISION OF OIL, GAS AND
MINING
("DIVISION")
1594 WEST NORTH TEMPLE
SUITE 1210, PO BOX 145801
SALT LAKE CITY, UTAH 84114-5801

LETTER OF CREDIT DATE:
March 3, 1999

CURRENT AMOUNT: USD258,100.00

Dear Sir/Madam:

We have been requested by REDMOND MINERALS, INC., ("OPERATOR") P.O. BOX 249
REDMOND, UTAH 84652 to amend the above referenced IRREVOCABLE LETTER OF CREDIT issued in your
favor, as follows:

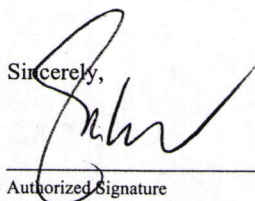
This letter of credit is increased by: USD 23,000.00
The new amount of this letter of credit is: USD 258,100.00

All other terms and conditions remain the same.

This amendment is an integral part of the captioned letter of credit and must be attached to the said letter in your
possession.

If you have any questions concerning this transaction, please call us at (213) 593-2131, (213) 593-2130 or (213) 593-2123.

Sincerely,



Authorized Signature

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RELEASED
ORIGINAL RETURNED
TO OPERATOR MARCH 16, 2005

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NOV 02 2004
DIV. OF OIL, GAS & MINING

ZIONS BANK

International Operations
550 South Hope Street, 3rd Floor
Los Angeles, California 90071
S.W.I.F.T: ZFNBUS55

m/39/002
**Amendment of
Standby Letter of Credit**

L/C No

January 16, 2003

**IRREVOCABLE STANDBY LETTER OF CREDIT NO.
AMENDMENT**

BENEFICIARY:
UTAH DIVISION OF OIL, GAS AND MINING
("DIVISION")
1594 WEST NORTH TEMPLE
SUITE 1210, PO BOX 145801
SALT LAKE CITY, UTAH 84114-5801

LETTER OF CREDIT DATE:
March 3, 1999

APPLICANT:
REDWOOD MINERALS, INC. ("OPERATOR")
P.O. BOX 249
REDMOND, UTAH 84652

CURRENT AMOUNT: USD235,100.00

Dear Sir/Madam:

The above mentioned Letter of Credit is amended as follows:

The new expiry date of this letter of credit is: March 1, 2004

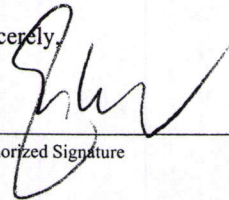
In the event of a drawing, documents must be presented to: Zions First National Bank, International Operations, 550 South Hope Street, 3rd Floor, Los Angeles, CA 90071.

All other terms and conditions remain the same.

This amendment is an integral part of the captioned letter of credit and must be attached to the said letter in your possession.

If you have any questions concerning this transaction, please call us at (800) 551-0110 Ext. 2123, 2130 or 2131.

Sincerely,


Authorized Signature

**COPY
RELEASED
ORIGINAL RETURNED
TO OPERATOR
MARCH 16, 2005**

RECEIVED

JAN 17 2003

DIV. OF OIL, GAS & MINING

ZIONS BANK

Established in 1873

INTERNATIONAL BANKING
One South Main
Salt Lake City, Utah 84111 USA
Telephone: (801) 524-4916
Fax: (801) 322-5931

L/C No. ,

November 18, 1999

IRREVOCABLE LETTER OF CREDIT NO. ' AMENDMENT

BENEFICIARY:
UTAH DIVISION OF OIL, GAS AND MINING
("DIVISION")
1594 WEST NORTH TEMPLE
SUITE 1210, PO BOX 145801
SALT LAKE CITY, UTAH 84114-5801

LETTER OF CREDIT DATE:
March 3, 1999

AMOUNT: USD228,000.00

Dear Sir/Madam:

We have been requested by REDMOND MINERALS, INC., ("OPERATOR") P.O. BOX 249
REDMOND, UTAH 84652 to amend the above referenced IRREVOCABLE LETTER OF CREDIT issued in your
favor, as follows:

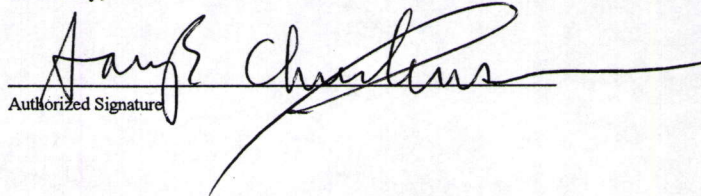
MATURITY DATE EXTENDED TO 01 MARCH 2001.

LETTER OF CREDIT AMOUNT INCREASED BY USD7,100.00 TO AN AGGREGATE AMOUNT OF USD235,100.00.

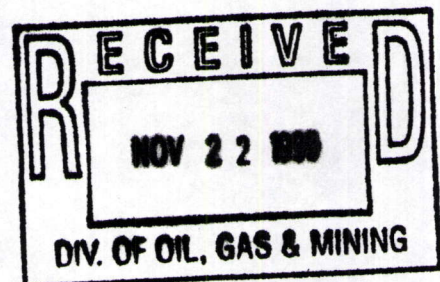
All other conditions remain the same.

* * * * *

Sincerely,


Authorized Signature

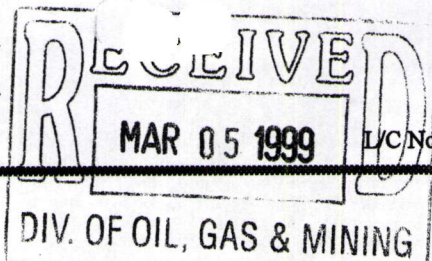
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TO OPERATOR
MAR 16, 2005



ZIONS BANK

Established in 1873

INTERNATIONAL BANKING
One South Main
Salt Lake City, Utah 84111 USA
Telephone: (801) 524-4916
Fax: (801) 322-5931



IRREVOCABLE LETTER OF CREDIT NO.

BENEFICIARY:
UTAH DIVISION OF OIL, GAS AND MINING
("DIVISION")
1594 WEST NORTH TEMPLE
SUITE 1210, PO BOX 145801
SALT LAKE CITY, UTAH 84114-5801

EXPIRATION:
March 1, 2000 or any automatically extended date as
herein below set forth
SALT LAKE CITY, UTAH
AMOUNT: USD228,000.00

Dear Sir/Madam:

At the request of REDMOND MINERALS, INC., ("OPERATOR") P.O. BOX 249, REDMOND, UTAH 84652, Zions First National Bank ("Surety") hereby establishes our Irrevocable Letter of Credit in your favor for an aggregate amount of Two Hundred Twenty-Eight Thousand United States Dollars (USD 228,000.00) at our counters on March 1, 2000 or any automatically extended date as below set forth.

1. THIS LETTER OF CREDIT WILL EXPIRE UPON THE FIRST EVENT SET FORTH AS FOLLOWS: (a) 5:00 P.M. (SALT LAKE CITY TIME) ON 1 MARCH 2000 OR (b) THE DATE UPON WHICH SUFFICIENT DOCUMENTS ARE EXECUTED BY THE DIVISION TO RELEASE REDMOND MINERALS, INC. OPERATOR FROM FURTHER FOR RECLAMATION OF THE REDMOND CLAY AND SALT MINE, NO. M/039/002 WITH NOTICE TO BAIL SURETY BY THE DIVISION ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT WITH DIRECTION OF CANCELLATION.
2. THIS LETTER OF CREDIT WILL BE AUTOMATICALLY EXTENDED FOR SUCCESSIVE PERIODS OF FROM THE CURRENT OR ANY FUTURE EXPIRATION DATE UNLESS THE SURETY GIVES NOTICE TO THE DIVISION 90 DAYS PRIOR TO THE EXPIRATION DATE THAT THE SURETY ELECTS NOT TO RENEW THE LETTER OF CREDIT.
3. FUNDS UNDER THE LETTER OF CREDIT ARE AVAILABLE AGAINST THE DIVISION'S SIGHT DRAFT, IN THE FORM OF EXHIBIT A, SPECIFYING LETTER OF CREDIT NO. 8957 DELIVERED TO THE OFFICE OF THE SURETY, ONE SOUTH MAIN STREET, SALT LAKE CITY, UTAH 84111. AT THE DIVISION'S SOLE ELECTION, THE DIVISION MAY PRESENT SIGHT DRAFTS FOR LESS THAN THE FACE AMOUNT SO LONG AS THE AGGREGATE AMOUNT OF ALL SIGHT DRAFTS DOES NOT EXCEED THE FACE AMOUNT. EACH DRAFT MUST BE ACCOMPANIED BY A CERTIFICATE IN THE FORM OF EXHIBIT B, SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE DIVISION.
4. IF THE SURETY RECEIVES THE DIVISION'S SIGHT DRAFT(S) AND CERTIFICATE(S) AS PROVIDED IN PARAGRAPH NO.3 ABOVE ON OR BEFORE THE EXPIRATION OR TERMINATION OF THIS LETTER OF CREDIT, THE SURETY WILL MAKE SUCH AMOUNT AS THE DIVISION MAY SPECIFY, WITHIN THE LIMITS OF THE SECOND SENTENCE OF PARAGRAPH NO. 3 OF THIS LETTER OF CREDIT, AVAILABLE TO THE DIVISION NO LATER THAN THE CLOSE OF BUSINESS, SALT LAKE CITY TIME, ON THE SECOND BUSINESS DAY FOLLOWING THE SURETY'S RECEIPT OF THE SIGHT DRAFT AND CERTIFICATE AND IN SUCH A MANNER AS THE DIVISION MAY SPECIFY.
5. THE SURETY WILL GIVE PROMPT NOTICE TO THE OPERATOR AND TO THE DIVISION DIRECTOR OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING THE INSOLVENCY OR BANKRUPTCY OF THE SURETY, OR ALLEGING ANY VIOLATIONS OF REGULATORY REQUIREMENTS WHICH COULD RESULT IN SUSPENSION OR REVOCATION OF THE SURETY'S CHARTER OR LICENSE TO DO BUSINESS.

(801)
524-4916
Barbara
Clay (Zions Bank)
UPS delivery sent yesterday

COPY

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ORIGINAL RETURNED
TO OPERATOR

MARCH 16, 2005

6. THE LETTER OF CREDIT WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH AND SHALL BE SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDIT, 1993 REVISION, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500, AS THE SAME MAY BE AMENDED AND IN EFFECT FROM TIME TO TIME (UCP) IN THE EVENT OF A CONFLICT BETWEEN UTAH LAW AND THE UCP, UTAH LAW SHALL GOVERN.

7. ALL COMMUNICATIONS REGARDING THIS LETTER OF CREDIT WILL BE ADDRESSED TO THE SURETY, ONE SOUTH MAIN STREET, SALT LAKE CITY, UTAH 84111, REFERENCING LETTER OF CREDIT NO. 8957.

We hereby agree with drawers, endorsers and bona fide holders that all draft(s) drawn under and in compliance with the terms of this letter of credit will be honored upon presentation and delivery of documents to us as specified herein. This credit is subject to the Uniform Customs and Practices for Documentary Credits, 1993 revision, International Chamber of Commerce Publication No. 500.

Sincerely,



Authorized Signature

EXHIBIT B

to
Letter of Credit Number _____

I, _____ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$ _____, by sight draft accompanying this certificate, under Letter of Credit No. _____ dated _____ issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the Utah Board of Oil, Gas and Mining, after notice and hearing, has entered an Order which has not been stayed, ordering forfeiture of Letter of Credit No. _____. In accordance with applicable law. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability, together with the costs of collection, including attorneys fees, for the _____ [mine] _____ and _____ [mine permit #] _____

The Utah Division of Oil, Gas and Mining

By: _____

Authorized Signature

Date: _____

EXHIBIT A - SIGHT DRAFT
to
Letter of Credit Number _____

Date

City, County

Letter of Credit No.

PAY TO THE ORDER OF: _____ Utah Division of Oil, Gas and Mining

Dollars.

TO: (Name of Bank or Surety)
and
(Address)

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

By: _____
Authorized Signature